March, 2004
Vol. 2

PIPELINE SAFETY NEWSLETTER

527 East Capitol Avenue, Springfield, Illinois 62701

MARK YOUR CALENDARS

2004 GAS PIPELINE SAFETY CONFERENCE
JUNE 8-10, 2004

The Illinois Gas Pipeline Safety Conference will be held on June 8-10, 2004, at the Holiday Inn Select in Decatur, IL. The seminar will feature a speaker from the Transportation Safety Institute in Oklahoma City, with other speakers and demonstrations from the natural gas industry. This year's conference is being organized with help from the Utility Compliance Review Group ("UCRG"), whose members include investor-owned utilities in Illinois, along with the Illinois Municipal Utilities Association ("IMUA") and the Pipeline Safety Staff of the Illinois Commerce Commission.

Join us for this 2 ½ day conference, which starts on the morning of June 8 and ends at noon on June 10, 2004. More information on the conference will be coming soon. We have reserved a block of rooms at the hotel which you may contact directly at 217-422-8800 for reservations.

FUTURE SEMINARS

Our Fall 2004 Small Operator seminar usually conducted at Rend Lake will not be held this year. Instead we are planning a joint IMUA-ICC training seminar tentatively scheduled to be held in Effingham, IL. Look for dates and other details on this later in 2004.

Ray Muhs, JULIE, speaking at the 2003 Rend Lake Seminar

Drew Yando from Heath Consultants speaking on Gas Odorization at our Fall 2003 Seminar at Rend Lake.

ICC Pipeline Safety Contacts

Program Manager

Rex Evans	217-785-1165

Secretary

Nancy Standridge	217-785-1416

Inspectors

Darin Burk	217-785-3404
Charles Gribbins	217-785-1073
Donald Hankins	217-558-2662
Mark Kern	217-785-1166
Harvey Schofield	217-785-2978
Randy Stewart	217-785-1157
Jim Watts	217-782-2339

Fax 217-524-5516

24 Hr. Emergency #
For Reporting Accidents 217-782-5050

ICC 2004 Holiday Calendar

The ICC Offices will be closed on the following dates:

May 31— Monday
July 5—Monday
September 6—Monday
October 11—Monday

November 2—Tuesday
November 11—Thursday
November 25—Thursday
November 26—Friday
December 24—Friday

New Pipeline Safety Inspectors

Randy Stewart, joined the Illinois Commerce Commission in the Pipeline Safety Section in August, 2003. Randy came to us from Phillips Petroleum, where he was employed for 29 years.

Harvey Schofield was hired as a Pipeline Safety Analyst on January 26, 2004. Mr. Schofield retired from Illinois Power Company after over 33 years in Gas Operations.

Municipal Gas Operators Emergency Association Meetings

OKAW Emergency Operator Meetings

April 8, 2004—Casey, IL
August 5, 2004—To be Determined
June 3, 2004—Stonington, IL
October 7, 2004—Bethany, IL

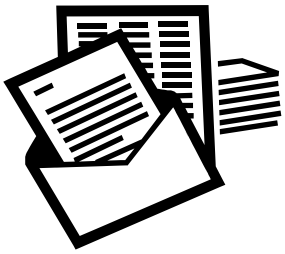
Annual Distribution Reports are Due

DUE DATE — March 15, 2004

Be sure to file a copy with both the U.S. DOT and ICC.

Your Annual Distribution Reports (and Transmission if necessary) are due to the Information Systems Manager in Washington, D.C. by March 15, 2004. Please remember that a copy should be sent to our office at the same time. Send a copy to the ICC office at:

Illinois Commerce Commission
Attn: Nancy Standridge
4th Floor
527 East Capitol Avenue
Springfield, IL 62701



New Report Forms

Your 2004 Annual Report forms (7100.1-1) are due to DOT and the ICC by March 15, 2004. In **2005**, for calendar year 2004, you will be required to use the newly revised forms, to summarize your natural gas distribution main mileage by age of pipe along with added categories on leaks that you discover and repair. You may use these forms to submit 2003 information, but it will not be mandatory until next year.

There is also a new Incident Reporting form (7100.1), which has changed to reflect the addition of several cause categories so adequate statistics can be gathered. The new incident reporting form must be used immediately. These and other OPS forms may be found on the following website: **ops.dot.gov/forms.htm**

Joint Utility Locating Information for Excavators (JULIE)
www.illinois1call.com

Illinois Commerce Commission
2004 JULIE Enforcement Statistics

Results of Completed Cases:	2002	2003	2004 YTD	Since Inception
Cases Withdrawn	15	21	0	36
Notices of Termination	37	129	5	171
Warning Letters	14	69	5	88
Notices of Violation	2	77	8	87
Total Penalties assessed -	$4,000	$48,626	$16,575	$69,201
Total Penalties collected -	$0	$31,325	$1,350	$32,675
TOTAL	68	296	18	382
Incident Reports Submitted by utilities:				
Failure to call for Refresh (4a)	0	0	2	2
No valid JULIE Ticket (4d&4g)	84	116	7	207
Failure to exercise due care (4b)	54	23	2	79
Failure to immediately notify utility of damage (7)	2	1	0	3
False emergency locate request (6a)	3	2	1	6
Failure to provide proper support for facilities (4e)	1	0	0	1
Improper Backfilling (4f)	1	0	0	1
No Violation	2	5	0	7
TOTAL	147	147	12	306
Incident Reports Submitted by Excavators & Others:				
Failure to mark in 48 hours (10)	25	16	2	43
No valid JULIE ticket (4d)	2	7	1	10
Failure to mark properly (10)	1	11	0	12
Failure to exercise due care (4b)	1	5	1	7
No Violation	3	2	0	5
Failure to Join JULIE (3)	0	47	0	47
TOTAL	32	88	4	124
TOTAL Incident Reports Submitted	179	235	16	430
Cases Heard by Advisory Committee	0	51	5	56
Number of Open Cases	56	48		
Average Age of Open Cases (days)	69.6	81.6		

Number in parenthesis denotes section of Damage Prevention Act

49 CFR 192 Rule Changes in 2003

Please note the following highlighted changes to the Federal Regulations:

49 CFR 192.321

(e) Installation of Plastic Pipe

•…."Tracer wire may not be wrapped around the pipe and contact with the pipe must be minimized, but is not prohibited. Tracer wire must be resistant to corrosion damage, either by use of coated copper wire or by other means."

49 CFR 192.353

(a) Customer meters and regulators: Location

•…must be installed in a readily accessible location and be protected from corrosion and other damage, ….including, if installed outside a building, vehicular damage that may be anticipated."

49 CFR Part 192.465/192.479/192.481

External Corrosion monitoring
Atmospheric Corrosion Control: General and Monitoring
•Appropriately defines what you should do
•At least each calendar years not to exceed 39 months

49 CFR Part 192.605 (b) (11)

Addition to procedures manual

•(b) (11) Responding promptly to a report of a gas odor inside or near a building, unless the operators emergency procedures under 192.615 (a) (3) apply to these reports.

49 CFR Part 192.625 (f)

Odorization of Gas

•(f) To assure the proper concentration of odorant in accordance with this section, each operator must conduct periodic sampling of combustible gases using an instrument capable of determining the percentage of gas in air at which the odor becomes readily detectable.

49 CFR 192.745/192.747

Valve Maintenance (Transmission and Distribution)

•(b) Each operator must take prompt remedial action to correct any valve found inoperable, unless the operator designates an alternative valve.

MEET THE GAS PIPELINE SAFETY STAFF

Rex Evans, Program Manager

Top Row - Left to Right: Randy Stewart; Harvey Schofield; Don Hankins; and Darin Burk.
Seated - Left to Right: Mark Kern; Nancy Standridge, Secretary; Charles Gribbins; and Jim Watts.

2004 INSPECTOR LISTING

The 2004 Inspector Listing indicates the ICC inspector who is assigned to your gas system. This is the person you should contact in the event you have any general questions or concerns.

This year we will be doing numerous joint audits of the gas systems in Illinois, which means you might have two or more inspectors looking over your records and facilities. This is an effort to promote efficiency and consistency during our audits. The person listed as your contact may or may not be the one who does your audit, but you will be given adequate notice when the time comes.

Also, if you have questions regarding Operator Qualification issues you may contact Darin Burk or Rex Evans. Please note that some telephone numbers have changed.

2004 Operator / Inspector Listing

Public Utilities

Alliant Energy – Gribbins
Ameren CIPS – Hankins
Ameren Union Electric - Hankins
Central Illinois Light Company - Stewart
Consumers Gas - Gribbins
Illinois Gas Company- Kern
Illinois Power Company - Burk
IL Power Storage Fields - Burk
MidAmerican Energy—Hankins
Mt. Carmel Public Util.—Hankins
North Shore Gas Company - Kern
Nicor Gas Company
Aurora - Watts
Central Region
-Aurora - Gribbins
-Glen Ellyn - Gribbins
-Ottawa – Gribbins
Metro Region
-Bellwood - Watts
-Crestwood - Watts
-Glenview - Watts
-Glenwood - Watts
Northern Region
-Crystal Lake - Gribbins
-Dixon - Gribbins
-Rockford - Gribbins
Southern Region
-Carthage - Gribbins
-Joliet - Watts
-Bloomington – Watts
-Kankakee – Watts
North Zone Transmission
-Elk Grove – Watts
South Zone Transmission
-Joliet - Watts
Nicor Storage Fields
-Ancona - Watts
-Bloomington - Watts
-Hudson - Watts
-Lexington - Watts
-Pecatonica - Gribbins
-Pontiac - Watts
-Troy Grove - Gribbins

Peoples Energy - Kern
United Cities Gas - Watts

Municipal Systems

Aledo - Gribbins
Anna - Hankins
Auburn – Gribbins
Belle Rive - Gribbins
Bethany - Kern
Bluford - Kern
Bushnell - Gribbins
Cairo - Hankins
Casey - Kern
Chester - Burk
Cisne - Watts
Clay City - Gribbins
Cobden - Hankins
Creal Springs - Hankins
Crossville - Burk
Dahlgren - Gribbins
Divernon – Gribbins
Dupo - Burk
Edinburg - Kern
Enfield - Burk
Equality - Gribbins
Fairfield - Kern
Findlay - Kern
Flat Rock - Burk
Flora - Gribbins
Franklin - Watts
Geff - Watts
Grand Tower – Hankins
Grayville - Kern
Greenup - Kern
Jonesboro - Hankins
Karnak - Hankins
Louisville - Watts
Marshall - Watts
Martinsville - Watts
McLeansboro - Gribbins
Milford - Gribbins
Morton - Gribbins
Nashville - Kern
New Boston - Gribbins
Norris City - Gribbins
Pawnee - Gribbins
Pinckneyville - Kern
Pittsburg - Hankins
Pittsfield - Kern
Pleasant Hill - Kern
Rantoul - Watts
Red Bud - Burk
Riverton - Watts
Roodhouse - Kern
Rossville - Gribbins
Salem - Gribbins
Shawneetown - Watts
Sims - Gribbins
Stonington - Kern
Sullivan - Kern
Tamms - Hankins
Thebes - Hankins
Toledo - Kern
Vienna – Hankins
Waterloo - Burk
Waverly - Kern
Wayne City - Kern
Westville - Gribbins
White Hall - Watts
Winchester - Watts

Master Metered Systems

Alexander County Housing - Hankins
Franklin County Housing - Hankins
Greene County Housing - Kern
Johnson County Housing - Hankins
Massac County Housing - Watts
Peoria Housing - Kern
Pope County Housing - Burk
Pulaski County Housing - Hankins
Saline County Housing - Watts
Shelby County Housing - Hankins
Union County Housing - Hankins
University of Illinois - Burk
White County Housing - Burk
Williamson County Housing - Hankins

Intrastate Transmission

Egyptian Storage, Ridgeway – Gribbins
Elysium Energy - Burk
Gallagher Drilling - Hankins
Grayson Hill Farms - Gribbins
Illinois Gas Transmission - Burk
University of IL –IL Power / Natural Gas Pipeline - Burk
Southern Illinois Power Coop. – Hankins

Direct Sales

Mississippi River Transmission - Burk
Panhandle Eastern - Burk
Vector Pipeline – Watts

Gas Pipeline Integrity Management Rule

DOT/OPS issued the integrity management rule for gas **transmission** pipelines on December 12, 2003. The rule, which takes effect February 14, 2004, is contained in a new Subpart O of 49 CFR Part 192. The rule is very detailed and specifies requirements for Operators in performing assessments, data collection, integration and analysis, repair and remediation action, implementation of preventative and mitigation measures, assessments intervals and a modified definition of what constitutes a High Consequence Area from that published in the draft rule last January. The rule also makes extensive use of and reference to ASME B31.8S-2001. DOT/OPS has established a website at **primis.rspa.dot.gov/gasimp** containing the rule's text and other relevant gas integrity management topics.

The rule also specifies deadlines for implementing a gas pipeline integrity management plan. An Operator of Covered Segments is required to develop and implement a written integrity management plan by December 17, 2004. An Operator's plan must contain the sixteen elements specified in §192.911. An Operator must complete initial integrity assessments for 50% of the highest risk Covered Segments by December 17, 2007 and the remaining 50% by December 17, 2012.

Please remember this rule only applies to operators who have transmission lines.

Incident Reporting Questions

State and Federal law both require natural gas operators to provide notification of any incidents and accidents that might occur on their systems. This is outlined in Illinois Administrative Code Part 595, and under 49 CFR Part 191 in the Federal Regulations. There are times when house fires and/or explosions occur and a natural gas operator may not be clear on whether it “qualifies” as being reportable or not. Please use the following guidelines to determine if an incident is reportable during those circumstances. You are always better off to file a report and then withdraw it when there is ever a question. You can also contact our office at any time. The 24-hour emergency number is 217-782-5050.

The Illinois Commerce Commission would not require the report when the gas from the jurisdictional part of the system is released as a result of a house fire. (For example, the damages were the result of a house fire, as opposed to the gas line failure) However, if a gas release were judged to be the cause of the damage meeting the reporting requirement, even if the gas line failed because of the house fire, then it would be reportable under current regulations. In this case, the initial fire would be similar to a third party damage hit that broke the line and caused the fire that did all the damage. Remember that jurisdictional facilities end at the outlet of the meter.

After the operator has completed all emergency response procedures and determined that their facilities were not involved in an incident, we recommend working closely with fire, police and other investigators to get a confirmatory analysis on the cause. This will help all parties involved and this will speed up any necessary investigations or questions that arise later.

Also remember that if an incident does qualify for reporting that you are required to conduct and report to us an incident investigation, which is required by IL Pipeline Safety Act, section 6 and IL Admin. Code 595. Call our office if you have any questions.

Atmospheric Corrosion

Comprehensive field audits on many natural gas distribution operators over the past year have resulted in the discovery of very weak atmospheric corrosion monitoring procedures. This is of great concern on riser piping and meter sets with their proximity to a building foundation and the possible risk that corrosion presents on the integrity of this piping. Recently revised federal regulations read as follows:

192.479 Atmospheric corrosion control: General.
(a) Each operator must clean and coat each pipeline or portion of pipeline that is exposed to the atmosphere, except pipelines under paragraph (c) of this section.
(b) Coating material must be suitable for the prevention of atmospheric corrosion.
(c) Except portions of pipelines in offshore splash zones or soil-to-air interfaces, the operator need not protect from atmospheric corrosion any pipeline for which the operator demonstrates by test, investigation, or experience appropriate to the environment of the pipeline that corrosion will;
(1) Only be a light surface oxide; or
(2) Not affect the safe operation of the pipeline before the next scheduled inspection.

Our concern is on piping where generalized corrosion and pitting is found and where metal loss on pipe has occurred or is imminent. It was also discovered during meter set examinations that many regulator screens were missing or have rusted through. These are areas that should be analyzed and remedial action should be taken to correct any deficiencies found.

A partial solution we recommend is that you conduct a thorough atmospheric corrosion survey whenever you conduct a residential leak survey. This will give you an opportunity to analyze above ground facilities for corrosion and initiate proper remedial action. This may or may not coincide with required inspection intervals, but it will give you a progressive approach to this issue. All operators should examine their atmospheric corrosion surveys to ensure they are identifying and reacting appropriately to this issue.

Distribution Line Valves—(Emergency Valves)

All natural gas operators should be reminded that 49 CFR Part 192.181 requires that each high-pressure distribution system must have valves spaced as to reduce the time to shut down a section of main in an emergency. Your ability to perform squeeze off functions on various pipelines does not eliminate the need for natural gas operators to conform to this code requirement. The safety regulation on distribution valves is as follows:

Sec. 192.181 Distribution line valves.
(a) Each high-pressure distribution system must have valves spaced so as to reduce the time to shut down a section of main in an emergency. The valve spacing is determined by the operating pressure, the size of the mains, and the local physical conditions.
(b) Each regulator station controlling the flow or pressure of gas in a distribution system must have a valve installed on the inlet piping at a distance from the regulator station sufficient to permit the operation of the valve during an emergency that might preclude access to the station.
(c) Each valve on a main installed for operating or emergency purposes must comply with the following:
(1) The valve must be placed in a readily accessible location so as to facilitate its operation in an emergency.
(2) The operating stem or mechanism must be readily accessible.
(3) If the valve is installed in a buried box or enclosure, the box or enclosure must be installed so as to avoid transmitting external loads to the main.

All natural gas operators should review their construction practices to ensure this code requirement is being met.

Public Awareness Programs

The Pipeline Safety Improvement Act of 2002 required that owners or operators of natural gas pipelines implement a continuing public education program by December 17, 2003. Each owner or operator must review its existing public education program for effectiveness and modify the program as necessary.

Public awareness and understanding of pipeline operations is vital to the continued safe operation of natural gas pipelines. Pipeline operators are required to have public awareness programs that establish communications and provide information to the public that helps them understand their role to help prevent damage to pipeline facilities.

Public awareness programs should he tailored to address the needs of different audiences within a community. When effectively and consistently managed, a public awareness program can provide significant value to the pipeline operator in several areas; enhanced public safety, improved pipeline safety, build trust and better relationships with the public along pipeline routes, less resistance to maintenance activities, enhance emergency response coordination and improve pipeline company reputation.

American Petroleum Institute (API) Recommended Practice (RP) 1162 has been developed to assist the pipeline operator in developing an effective public awareness program. RP 1162 addresses; public awareness program development, stakeholder audiences, message content, message delivery methods, program documentation and recordkeeping and program evaluation. A read only copy of RP1162 is available on the API website or at **http:// primis.rspa.dot.gov/edu/rp1162**. The API website also offers a printed copy of RP 1162 available for purchase.

The DOT/OPS has expressed intent to incorporate RP 1162 guidance by reference into pipeline safety regulations. The ICC Pipeline Safety Section will be reviewing the operator's public awareness or public education programs in the future to determine if they meet the current requirements.

Operator Qualification

In 2003 the OPS/DOT issued guidelines for inspection of operator qualification plans commonly referred to as the "OQ Protocols". The ICC Pipeline Safety Office is using the Protocols to review all OQ plans of Illinois natural gas system operators. The objective of the protocols is to ensure that all operators have followed the prescriptive requirements of the rule. Proper recordkeeping is a key component of the OQ rule and it is important that we are able to verify that records are maintained for all individuals performing covered tasks. It is our intent to complete the reviews of OQ Plans by the end of 2004.

So far, several of the public utility plans have been reviewed. For the municipal operators that contracted the creation of their OQ Plan through a consultant, we will meet with the consultants upon request to identify potential issues and make recommendations. It will be up to the operator to decide if they want to update their plan or have their consultant do it. Either way, the operator is responsible to ensure that any potential issues identified are addressed.

Additionally, as a result of the various interpretations of the operator qualification negotiated rule, the pipeline industry approached the American Society of Mechanical Engineers (ASME) seeking a sponsor for a national consensus standard on operator qualification. The ASME Code for Pressure Piping, B31 Committee formed the B31Q project team on Qualification of Pipeline Operators. The project team has met several times and has made significant progress in creating a consensus standard known as B31Q. Once B31Q is completed, it is expected to be a valuable tool for assessing Operator Qualification Plans. To date, it is not clear whether the standard will be incorporated by reference into the pipeline safety regulations.